

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

May 11, 1999

COMMUNITY SERVICE TELEPHONE CO.  
Request for Approval of Reorganization and  
Affiliated Interest Transactions Regarding  
Community Service Long Distance  
Docket No. 97-764

ORDER APPROVING SUPPORT  
SERVICES AGREEMENT AND  
COST ALLOCATION MANUAL

COMMUNITY SERVICE TELEPHONE CO.  
Request for Approval of Affiliated Interest  
Transaction and Reorganization Regarding  
Support Services Agreement with Community  
Service Long Distance  
Docket No. 98-971

ORDER CLOSING DOCKET

COMMUNITY SERVICE TELEPHONE CO.  
Request for Approval of Affiliated Interest  
Transaction Standard Support Services  
Agreement  
Docket No. 98-972

ORDER APPROVING  
STANDARD SUPPORT  
SERVICES AGREEMENT AND  
COST ALLOCATION MANUAL

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

---

In Docket No. 97-764, we approved a reorganization of Community Service Telephone Company (CST) that resulted in the creation of Community Service Long Distance (CSLD). We also granted "interim" approval, pursuant to 35-A M.R.S.A. § 707, to transactions between CST and CSLD. The Order required CST to file a contract governing the transactions between CST and CSLD. CST filed the contract in December 1998.<sup>1</sup>

In Docket No. 98-972, CST has filed a standard support services agreement that it proposes should be used for all transactions between itself and any affiliated interests. CST seeks approval of the standard support services agreement pursuant to 35-A M.R.S.A. § 707. The standard support services agreement is substantively identical to the support services agreement between CST and CSLD filed in Docket No. 97-764.

---

<sup>1</sup>The filing of the contract was mistakenly assigned a new docket number, 98-971. We close that docket as unnecessary.

We have reviewed both contracts. We find that the contract between CST and CSLD submitted in compliance with the order in Docket No. 97-764 is reasonable and that it is consistent with the provisions of that order. We also find that the standard support services agreement submitted in Docket No. 98-972 is reasonable. Both contracts are similar to those we have approved in the past between regulated independent telephone utilities and affiliated interests of those telephone utilities.

The Order in Docket No. 97-764 also required CST to file a cost allocation manual that would contain rules governing cost allocations and the pricing of services for transactions between CST and CSLD. The cost allocation manual generally follows the cost and pricing principles established by the F.C.C. in Part 64 of 47 C.F.R. We delegated authority to the Director of Finance to approve the cost allocation manual. The Director has informed the Commission that he finds the manual to be reasonable and consistent with the Order in Docket No. 97-764. Instead of having the Director of Finance issue a separate Order, we will approve the cost allocation manual in this Order. CST has agreed that the cost allocation manual will also apply to other transactions between CST and affiliated interests of CST. We therefore approve the cost allocation manual that CST submitted in Docket No. 98-972 for general applicability.

Accordingly, we

1. APPROVE the support services agreement between Community Service Telephone Company and Community Service Long Distance as being reasonable and in compliance with the Order of October 15, 1997 in Docket No. 97-764;
2. APPROVE the cost allocation manual filed in Docket No. 97-764 for purposes of governing cost allocation and pricing for transactions between Community Service Telephone Company and Community Service Long Distance;
3. ORDER that Docket No. 98-971 be closed;
4. APPROVE the standard support services agreement filed in Docket No. 98-972 for use in transactions between Community Service Telephone Company and all affiliated interests of Community Service Telephone Company;
5. APPROVE the cost allocation manual (filed in Docket No. 97-764) for use in other transactions between Community Service Telephone Company and its affiliated interests.

Dated at Augusta, Maine this 11th day of May, 1999.

## BY ORDER OF THE COMMISSION

---

Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:    ☒ Yes   ☐ No   ☐ Absent Welch  
   ☒ Yes   ☐ No   ☐ Absent Nugent  
   ☒ Yes   ☐ No   ☐ Absent Diamond

NOTE: STAFF PERSON RESPONSIBLE FOR DOCUMENT, CHECK YES OR NO  
(See General Counsel if in doubt)

Attach Notice of Rights to Review or Appeal?    Yes   X      No         
   If Yes (or nothing), attach Notice

Is document to be designated for publication?    Yes           No   X    
If Yes, type "This Document has been designated for publication" at bottom of page and  
provide copies to all staff attorneys and librarian.

Does this document contain any confidential information?    Yes           No   X    
   (to be filled in by Author)

If yes, the secretary must prepare a redacted copy for web publication? Note: This  
means that the confidential material must be deleted from the file and replaced with a  
black background. Only this redacted file can be published to the web.